

UNITED STATES OF AMERICA  
POSTAL REGULATORY COMMISSION  
WASHINGTON, DC 20268-0001

Before Commissioners:

Ruth Y. Goldway, Chairman;  
Robert G. Taub, Vice Chairman;  
Mark Acton;  
Tony Hammond; and  
Nanci E. Langley

Competitive Product Prices  
Parcel Return Service Contract 2 (MC2011-6)  
Negotiated Service Agreement

Docket No. CP2011-33

ORDER CONCERNING AMENDMENT TO PARCEL RETURN  
SERVICE CONTRACT 2 NEGOTIATED SERVICE AGREEMENT

(Issued April 9, 2013)

I. INTRODUCTION

The Postal Service proposes an amendment to Parcel Return Service Contract 2.<sup>1</sup> For the reasons discussed below, the Commission approves the proposed Amendment.

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<sup>1</sup> Notice of United States Postal Service of Amendment to Parcel Return Service Contract 2, With Portions Filed Under Seal, March 28, 2013 (Notice). The Amendment is attached to the Notice (Amendment).

## II. BACKGROUND

In Order No. 602, the Commission approved Parcel Return Service Contract 2.<sup>2</sup> On March 28, 2013, the Postal Service filed notice that it has agreed to an amendment to the existing Parcel Return Service Contract 2. The Amendment changes the table in section I.G.6 of the contract. Notice, Attachment A at 1. The Postal Service asserts that the Amendment will not “have a significant impact on the contract’s cost coverage” given the robust cost coverage of Parcel Return Service Contract 2. Notice at 1. Therefore, the Postal Service contends, “the supporting financial documentation and financial certification initially provided in this docket remain applicable.” *Id.*

The Postal Service intends for the Amendment to become effective on the first business day after the date that the Commission completes its review of the Notice. *Id.*

On March 29, 2013, the Commission issued an order reopening this docket to consider the Amendment, appointing a Public Representative, providing interested persons with an opportunity to comment, and requesting supplemental information.<sup>3</sup>

## III. SUPPLEMENTAL INFORMATION

In Order No. 1685, the Commission requested that the Postal Service file updated financial documentation and certification since those originally submitted in support of this docket were filed on November 17, 2010. *Id.* at 2-3. The Postal Service filed the requested financial information and documentation on April 5, 2013.<sup>4</sup>

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<sup>2</sup> See Docket Nos. MC2011-6 and CP2011-33, Order No. 602, Order Approving Parcel Return Service Contract 2 Negotiated Service Agreement, December 2, 2010.

<sup>3</sup> Order No. 1685, Notice and Order Concerning Amendment to Parcel Return Service Contract 2 Negotiated Service Agreement and Request for Supplemental Information (Order No. 1685).

<sup>4</sup> Response of the United States Postal Service to Request for Supplemental Information, With Portions Filed Under Seal, April 5, 2013 (Response to the Supplemental Information Request).

#### IV. COMMENTS

Comments were filed by the Public Representative.<sup>5</sup> No other interested person submitted comments.

After reviewing all the relevant materials, the Public Representative concludes that the contract, as amended, should cover its attributable costs, should not lead to the subsidization of competitive products by market dominant products, and should have a positive effect on competitive products' contribution to institutional costs. *Id.* at 2.

#### V. COMMISSION ANALYSIS

The Commission has reviewed the Notice, the Response to the Supplemental Information Request, the accompanying materials filed under seal, and the comments filed by the Public Representative.

*Cost considerations.* The Commission reviews competitive product prices to ensure that they meet applicable requirements of 39 U.S.C. § 3633(a) and 39 C.F.R. § 3015.7. The Public Representative contends the contract, as amended, should comply with the requirements of 39 U.S.C. § 3633. *Id.* at 2.

Based on its analysis of the Response to the Supplemental Information Request, the Commission finds that the contract, as amended, comports with the provisions applicable to rates for competitive products in 39 U.S.C. § 3633(a) and 39 C.F.R. § 3015.7. Accordingly, the Commission approves the Amendment.

*Other considerations.* The Postal Service states that the Amendment shall become effective on the first business day after the date that the Commission completes its review.

Within 30 days of the expiration of the instant contract, the Postal Service shall file the annual (by contract year) costs, volumes, and revenues disaggregated by weight and zone associated with the contract.

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<sup>5</sup> Public Representative Comments on Postal Service Request to Amend Parcel Return Service Contract 2, April 8, 2013 (PR Comments).

If the contract, as amended, is terminated prior to the scheduled expiration date, the Postal Service shall promptly notify the Commission.

In conclusion, the Commission approves the proposed Amendment to Parcel Return Service Contract 2.

## VI. ORDERING PARAGRAPHS

*It is ordered:*

1. As set forth in the body of this Order, the Commission approves the proposed Amendment to Parcel Return Service Contract 2.
2. The Postal Service shall notify the Commission if the contract, as amended, ends prior to the scheduled expiration date as discussed in this Order.
3. Within 30 days after Parcel Return Service Contract 2, as amended, terminates, the Postal Service shall file the annual (contract year) costs, volumes, and revenues disaggregated by weight and zone associated with the contract.

By the Commission.

Shoshana M. Grove  
Secretary